

## **Form SS-16 and Form SS-16a Completion Instructions for Kentucky Retirement System Members**

Under a Memorandum of Agreement between the Commonwealth of Kentucky and the Internal Revenue Service, which became effective on January 1, 2017, both the taxable Social Security wages and taxable Medicare wages will include the employees' retirement contributions. This settlement affects all State and Local Governmental employers within the Commonwealth of Kentucky including Master Commissioners.

Both governmental employers and their employees will each have to pay the increased amount. The additional contributions will result in increased Social Security benefits upon retirement.

In calculating the tax withholdings on Form SS-16 or SS-16a for both Social Security and Medicare, retirement contributions will **NOT** be deducted from gross wages to arrive at the taxable Social Security and Medicare wages beginning with the 2017 tax year. You will still need to notify our office if you or your employees join KRS to assure that the Retirement box on your Form W-2 will be marked correctly.

It should be noted that the KRS contributions are only taxable for Social Security and Medicare taxes. The State and Federal taxes continue to be tax deferred. This means, while you **will not** deduct the contribution from the Social Security and Medicare wages, you **will** deduct the contribution from the Federal and State wages before calculating the taxes.

**See the Form SS-16 and Form SS-16a Examples Listed Below**

### Example 1 (Form SS-16):

John Smith is the Master Commissioner for Bluegrass County. During the month of January 2018 his wages were \$4,000.00. John is also a member of KRS at a 6% rate.

He would pay Social Security and Medicare taxes on \$4000.00 (\$4000 X 6.2% (\$248) and \$4000 X 1.45% (\$58). The 6% contribution would be deducted from John's Federal and State taxes (\$4000.00 – 6% (\$240) = \$3760.00). Therefore, on the Form SS-16, John would then report \$4000 in wages for Social Security and Medicare and \$3760 in wages for Federal and State and remit the appropriate taxes.

Note: If you use Form SS-16 to report wages and taxes to our office, the form will be revised for 2017 to include a column to enter your Federal and State wage amount. This will insure the correct wage amounts are included on Form W-2.

### Commonwealth of Kentucky Social Security Coverage and Reporting Branch 2018 Monthly Report of Commissioner Wages and Taxes

0000 Bluegrass County Master Commissioner (A) Period Covered: January 2018

This original PINK form is to be mailed to the Social Security Coverage and Reporting Branch, PO Box 639, Frankfort KY 40602-0639, no later than the fifth day of the month following receipt of fees or salary for the previous month. Indicate such month in Box A, "Period Covered". Include ONE check made payable to the Kentucky State Treasurer for the total amount of the social security and medicare taxes in columns E and G. A form must be submitted for each month you serve as Master Commissioner. Multiple months cannot be included on one report. If no fees or salary is received for a month, a zero report must be submitted. The zero report is also due by the 5th day of the following month.

| (B) Social Security Number | (C) Name   | (D) Soc Sec Wages | (E) SS Tax @ 6.2% | (F) Medicare Wages | (G) Med Tax @ 1.45% | (H) Fed/State Wages | (I) KRS Contribution |
|----------------------------|------------|-------------------|-------------------|--------------------|---------------------|---------------------|----------------------|
| 000-00-0000                | John Smith | \$4,000.00        | \$248.00          | \$4,000.00         | \$58.00             | \$3,760.00          | \$240.00             |
|                            |            |                   |                   |                    |                     |                     |                      |
|                            |            |                   |                   |                    |                     |                     |                      |
|                            |            |                   |                   |                    |                     |                     |                      |
| TOTALS ----->              |            |                   | *                 |                    | *                   |                     |                      |

DO NOT staple checks to Form

(J) \$ 306.00

(K) Check # 1234

\*Add the totals of columns E and G together to calculate the amount of Social Security and Medicare tax due. Enter the amount on Line J.

\*Send ONE check payable to the Kentucky State Treasurer for this amount. Enter the Check Number on Line K. Send the original PINK form.

\*Deduct the KRS contribution in Column I from the Medicare wages in Column F for the taxable Federal and State wages to enter in Column H.

NOTE: The KRS contribution is taxable for Social Security and Medicare and should NOT be deducted from the gross wage to obtain the taxable SS/Med wages.

\*If no fees or salary is received in a month, you MUST submit a zero report.

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|---|---|
| PRU: 960 Type: _____ Pay Date: ____/____/2018 Tran Code: 1602<br>Cab/Dept: 99-960 Seg #: _____ SSN: _____ | PRU: 960 Type: M Pay Date: ____/____/2018 Tran Code: 1602<br>Cab/Dept: 99-960 Seg #: _____ SSN: _____ |
| Wage: _____ ER Cont: _____ EE Cont: _____   | Wage: _____ ER Cont: _____ EE Cont: _____   |
| CK #: _____ CK Amt: _____ DOC #: _____  | CK #: _____ CK Amt: _____ DOC #: _____  |

THIS FORM IS FOR THE 2018 REPORT YEAR ONLY

## Example 2 (Form SS-16a):

Jane Jones is the Commissioner for Thoroughbred County. During the month of January 2018 her wages were \$4,000.00. Jane contributes \$500.00 a month to a Deferred Comp 401k plan and is also a member of KRS at a 6% rate.

She would pay Social Security and Medicare taxes on \$4000.00 (\$4000 X 6.2% (\$248) and \$4000 X 1.45% (\$58). The 401k contribution and the 6% KRS contribution (\$4000 X 6% = \$240) would be deducted from Jane's Federal and State taxes (\$4000.00 – \$500 - \$240 = \$3260). Therefore, on the Form SS-16a, Jane would report \$4000 in wages for Social Security and Medicare and \$3260 in wages for Federal and State and remit the appropriate taxes.

### Commonwealth of Kentucky Social Security Coverage and Reporting Branch 2018 Monthly Report of Commissioner Wages and Taxes

|      |   |                                  |
|------|---|----------------------------------|
| 0000 | Thoroughbred County Master Commissioner | (A) Period Covered: January 2018 |
|------|---|----------------------------------|

This original PINK form is to be mailed to the Social Security Coverage and Reporting Branch, PO Box 639, Frankfort KY 40602-0639, no later than the fifth day of the month following receipt of fees or salary for the previous month. Indicate such month in Box A, "Period Covered". Include ONE check made payable to the Kentucky State Treasurer for the total amount of the social security and medicare taxes in columns E and G. When submitting federal and state income taxes, include a separate check for the total federal income tax in column I and a separate check for the total state income tax in column J, each made payable to the Kentucky State Treasurer. A form must be submitted for each month you serve as Master Commissioner. Multiple months cannot be submitted on one report. If no fees or salary is received in a month, a zero report must be submitted. A zero report is also due by the 5th day of the following month.

| (B) Social Security Number | (C) Name   | (D) Soc Sec Wages | (E) SS Tax @6.20% | (F) Medicare Wages | (G) Medi Tax @1.45% | (H) FIT/SIT Wages | (I) Federal income tax | (J) State income tax | (K) Deferred Comp |
|----------------------------|------------|-------------------|-------------------|--------------------|---------------------|-------------------|------------------------|----------------------|-------------------|
| 000-00-0000                | Jane Jones | \$4,000.00        | \$248.00          | \$4,000.00         | \$58.00             | \$3,260.00        | \$400.00               | \$196.00             | \$500.00          |
|                            |            |                   |                   |                    |                     |                   |                        |                      |                   |
|                            |            |                   |                   |                    |                     |                   |                        |                      |                   |
|                            |            |                   |                   |                    |                     |                   |                        |                      |                   |
| TOTALS----->               |            |                   | *                 |                    | *                   |                   | **                     | **                   |                   |

DO NOT staple checks to Form

(L) \$ 306.00

(M) Check # 1234

\*Add the totals of columns E and G together to calculate the amount of Social Security and Medicare tax due. Enter the amount on Line L.

\*Send ONE check payable to the Kentucky State Treasurer for this amount. Enter the check number on Line M.

\*If applicable, deduct the KRS contribution and/or Deferred Comp contribution from the Medicare wages in Column F for the taxable Fed/State wages to enter in Column H.

\*Send ONE check for the total Federal Income Tax in column I and ONE check for the total State Income Tax in column J, each payable to the Kentucky State Treasurer.

\*Send original PINK form. **Note: If no fees or salary is received in a month, you MUST submit a zero report**

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| PRU: 960 Type: _____ Pay Date: ____/____/2018 Tran Code: 1602<br>Cab/Dept: 99-960 Seg #: _____ SSN: _____<br>Wage: _____ ER Cont: _____ EE Cont: _____<br>CK #: _____ CK Amt: _____ DOC #: _____ | PRU: 960 Type: M Pay Date: ____/____/2018 Tran Code: 1602<br>Cab/Dept: 99-960 Seg #: _____ SSN: _____<br>Wage: _____ ER Cont: _____ EE Cont: _____<br>CK #: _____ CK Amt: _____ DOC #: _____ |

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